

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

*[Rock Hill, South Carolina]*

HEARING # 13-11348

AUGUST 15, 2013

6:00 P.M.

DOCKET NO. 2013-59-E:

Duke Energy Carolinas, LLC - Application for Authority to Adjust  
and Increase Electric Rates and Charges

TRANSCRIPT OF TESTIMONY  
AND PROCEEDINGS

VOLUME 6 OF 6

HEARING BEFORE: G. O'Neal HAMILTON, *CHAIRMAN*, Nikiya M.  
'Nikki' HALL, *VICE CHAIRMAN*; and COMMISSIONERS John E.  
'Butch' HOWARD, Elizabeth B. 'Lib' FLEMING, Swain E.  
WHITFIELD, and Comer H. 'Randy' RANDALL

ADVISOR TO COMMISSION: B. Randall Dong, Esq.

STAFF: Jocelyn G. Boyd, Chief Clerk/Administrator; James  
Spearman, Ph.D., Executive Assistant to Commissioners; William O.  
Richardson, Advisory Staff; Afton Ellison, Administrative Staff; Jo  
Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter; and Calvin  
Woods, Hearing Room Assistant

APPEARANCES:

*HEATHER SHIRLEY SMITH, ESQUIRE*, and *TIMIKA  
SHAFEEK-HORTON, ESQUIRE*, representing DUKE ENERGY  
CAROLINAS, LLC, APPLICANT

*C. DUKES SCOTT, ESQUIRE*, and *COURTNEY DARE  
EDWARDS, ESQUIRE*, representing the SOUTH CAROLINA  
OFFICE OF REGULATORY STAFF

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***PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA***

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P R O C E E D I N G S

**CHAIRMAN HAMILTON:** I believe it's time to begin the meeting. I'd like to take the opportunity first to welcome each of you to a public hearing before the South Carolina Public Service Commission. I would like to introduce you to our -- can you hear?

**VOICE:** We can't hear you.

**CHAIRMAN HAMILTON:** Can't hear [indicating]?

**MR. RICHARDSON:** Get a little bit closer.

**MR. DONG:** It's not on.

**COMMISSIONER RANDALL:** Get closer to it.

**CHAIRMAN HAMILTON:** How about now?

**MR. RICHARDSON:** Yes.

**VOICE(S):** Yes.

**CHAIRMAN HAMILTON:** Okay. All right, put it down, Swain. All right, we're together. Thank you, very much.

Again, I'd like to welcome each of you to the hearing of the South Carolina Public Service Commission. We're happy to be in Rock Hill and in your home area. We think this is good that we can come here, and you won't have to drive to Columbia to hear us. So we're here tonight to hear what you've got to say, and we look forward to each of

1           you that desire to speak, to appear before us.

2           First I'd like to introduce our fellow  
3           Commissioners to you. And I'll start on my far  
4           right, is Commissioner Randall, who represents the  
5           Third Congressional District. Next to me is  
6           Commissioner Whitfield, the Fifth Congressional  
7           District. On my far left is Commissioner Howard of  
8           the First Congressional District; next to him,  
9           Commissioner Fleming, of the Fourth Congressional  
10          District; and Commissioner Hall, who's the Vice  
11          Chairman of the Commission, who represents the  
12          Sixth District. I'm O'Neal Hamilton, and I'm  
13          Chairman at this time.

14          The first thing we have on the agenda tonight,  
15          I would like to introduce to you the Executive  
16          Director of the Office of Regulatory Staff. The  
17          Regulatory Staff is the agency that provides  
18          service to the consumers and protects your  
19          interests in rate cases. We're real proud to have  
20          Mr. Dukes Scott, who's a long time in the service  
21          of the people of South Carolina.

22          And, at this time, Mr. Scott, if you would  
23          have a few words, we'd appreciate it, sir.

24                **MR. SCOTT:** I sure appreciate it, Mr.  
25          Chairman.

1 I am the Executive Director of the Office of  
2 Regulatory Staff. We're charged with representing  
3 the public interest.

4 I have just a comment about the process. In  
5 2004, the General Assembly created the Office of  
6 Regulatory Staff and created the Public Service  
7 Commission as a judiciary -- quasi-judiciary body.  
8 The Public Service Commission has been around a  
9 long time, about 100 years total, and it goes back  
10 to the Railroad Commission. But up to that time,  
11 the Public Service Commission -- and I was a staff  
12 member there at the Public Service Commission -- we  
13 were parties to the case, and we actually presented  
14 witnesses, did the audits. But now, the Office of  
15 Regulatory Staff does that.

16 The Commissioners are under the Judicial  
17 Canons, just like a judge. So tonight is your  
18 opportunity -- and they're very generous with their  
19 time, very generously have come all the way to Rock  
20 Hill to hear what you have to say about this rate  
21 increase, and the impact it may have on you. It  
22 may be a high bill issue, it may be just the impact  
23 that it has on your family budget, you may have  
24 some service issues. And all of that is relevant.

25 Your testimony will be sworn. It will be

1 taken down by the court reporter. It becomes a  
2 part of the official record of this case. If this  
3 case gets appealed, you're part of the official  
4 record of the case, and the Commissioners have  
5 access to this transcript and what you have to say  
6 as they consider, deliberate, and make the  
7 appropriate decisions that they have to make.

8 Because they are subject to the Judicial  
9 Canons and because they are the decision-makers,  
10 they are prohibited from answering questions. It's  
11 not that they don't want to answer questions -- I'm  
12 sure sometimes they would love to answer your  
13 questions -- and it's not that they don't know the  
14 answers to your questions, but they are very much  
15 barred by the Judicial Canons in their conduct in  
16 this case, as all cases. It would be similar to a  
17 witness in a court proceeding asking the judge or  
18 the jury questions.

19 So, if you have questions, we are here. I'm  
20 here. Courtney Edwards, an attorney with the  
21 Office of Regulatory Staff, is here. Lynda Shafer  
22 is here. Lynda, would you stand up?

23 **MS. SHAFER:** [Indicating.]

24 **MR. SCOTT:** Lynda is here. Brad Kirby is  
25 here.

1                   **MR. KIRBY:** [Indicating.]

2                   **MR. SCOTT:** Duke will have people available to  
3 answer questions. We'll be glad to answer your  
4 questions, or you can grab Brad and Lynda during  
5 the proceeding. We'll be here after the  
6 proceeding, and we won't leave until the last  
7 question has been taken and hopefully answered for  
8 you.

9                   Sometimes witnesses get upset because they  
10 want to ask the Commissioners questions. I ask you  
11 not to do that. They would love to answer your  
12 questions. They're very compassionate people -- I  
13 can promise you that. They're here to listen to  
14 you, they're here to take what you have to say into  
15 consideration, but they also deserve your respect  
16 as the respect they will be giving you, as well.

17                  And with that, Mr. Chairman, I'll turn it back  
18 over to you.

19                  **CHAIRMAN HAMILTON:** Thank you, Mr. Scott.

20                  We are here tonight primarily because we  
21 received communication from Senator Wes Hayes and  
22 the legislative delegation from Rock Hill asking us  
23 to be here. And Senator Hayes has sent word that  
24 he would love to be with you, but he's out of  
25 State, as well as we've received notification from

1 Representative Simrill that he also is away on  
2 business.

3 Representative Felder is here, I believe. And  
4 if she would like to come forward and have a few  
5 words to say, we'd certainly be happy to hear from  
6 her.

7 **REP. FELDER:** Thank you. I'm Representative  
8 Raye Felder; I'm part of the York County  
9 Delegation.

10 On behalf of Senator Hayes, who could not be  
11 here, we do want to extend a thank-you to the  
12 Public Service Commission. They had the agenda set  
13 on this particular item of business, and it did not  
14 involve a stop in Rock Hill, so we do appreciate  
15 that. We know it was kind of last-minute to add us  
16 to the list, and we appreciate you taking the time  
17 to do that.

18 We also want to thank Duke Energy. They, of  
19 course, are a very good corporate citizen in our  
20 area, and we appreciate what they do to help  
21 benefit our low-income and more needy families, to  
22 make sure that when they walk in the door and flip  
23 the switch, they have lights.

24 We didn't really need air today. It was  
25 beautiful. If we could have a whole summer like

1           this, I would be so happy, and my yard would be so  
2           pretty. Can't have everything you want.

3           But we did want to extend a thank-you to the  
4           Public Service Commission, as well as to each of  
5           you for taking time out of your schedule to be a  
6           part of the process, for taking your precious  
7           family time and your personal time to come and get  
8           involved, and understand how much work, how much  
9           dedication, and how much commitment goes into  
10          determining what is a fair and equitable rate for a  
11          necessity that we must all use every day -- and  
12          that is the electricity that powers our homes and  
13          our lives.

14          So, on behalf of the delegation, I thank each  
15          of you for taking the time to come and participate.

16          **CHAIRMAN MITCHELL:** Thank you, Representative  
17          Felder.

18          We also have Dr. Gregory Rutherford with us  
19          this evening, the president of York Tech. We'd be  
20          happy to hear from you now, Dr. Rutherford.

21          **DR. RUTHERFORD:** I'm also going to testify.

22          **CHAIRMAN HAMILTON:** Okay. If you would please  
23          come forward to the middle seat, and they'll swear  
24          you in, sir.

25                               [Witness sworn]

1 THEREUPON came,

2       **G R E G O R Y   F .   R U T H E R F O R D ,   P h . D . ,**  
3 who, having been first duly sworn, testified as follows:

4               **MR. RICHARDSON:** Please state your name and  
5 address for the record.

6               **WITNESS:** My name is Gregory F. Rutherford. I  
7 live at 1289 Pinewood Road, Rock Hill, South  
8 Carolina 29730.

9               I wanted to, first of all, thank the  
10 Commission -- as Representative Felder did -- for  
11 taking time. I think it's very important that  
12 everyone have an opportunity to speak their piece  
13 about these sorts of issues, and I'm grateful for  
14 you all and your service. I suppose you  
15 volunteered for it. I don't envy your position.

16               I also want to say to everyone here, welcome  
17 to York Technical College. Whether you're here in  
18 favor or against, we, at York Tech, serve all of  
19 you, and we want to do the right thing to maximize  
20 the success of our community and our students.

21               Now, with that said, I do want to say some  
22 things about Duke Energy. First of all, what -- you  
23 all have forgotten more than I will ever know about  
24 rates. I have to confess I am not a rate expert.  
25 Now, what I think I might could qualify for is a

1 community and economic development expert. Twenty-  
2 eight [28] years of my life, I have been involved  
3 in economic development, community development,  
4 education, and training. And I do have a Ph.D.;  
5 some people think that means "piled higher and  
6 deeper." The honest truth of the matter is that  
7 that's not the most important thing. We, at York  
8 Tech, are about putting people to work. And last  
9 year, out of our graduating class, within a year of  
10 graduation, 88 percent of them were employed in  
11 their field of study making more money than they'd  
12 made before, and receiving less public assistance.  
13 And part of the reason that we can do that is  
14 because of great corporate support. And one of  
15 those companies happens to be Duke.

16 Now, if we were having testimony about some  
17 other company, I'd brag on them, too, if they did  
18 the right thing. But I work with a lot of  
19 companies that don't do the right thing.

20 Now, I don't meet the bigwigs of Duke -- I'll  
21 just be honest with you. I don't hang out with Jim  
22 Rogers. But I'll tell you what I see at the ground  
23 level: I see folks that don't just show up to the  
24 fancy shindigs; I see folks from Duke that show up  
25 at every little small gathering all across our

1 territory here, listening to people, working with  
2 them, helping them, always trying to figure out how  
3 they can add value. I serve on all the economic  
4 development boards. In York County, just recently,  
5 Britax, a new company investing about \$26 million  
6 and 240 jobs, they wouldn't be here if it weren't  
7 for Duke. Hallelujah.

8 Now, I'm also proud to be an American. Let me  
9 tell you why: because we get to come and say our  
10 piece, and everybody deserves an opportunity to do  
11 it. Plus, look at what a competitive engine we  
12 have in this country. We take it for granted. Do  
13 you know that last year -- people talk about how  
14 great India is and will be, and it may very well  
15 be, but last year they had a power outage. I  
16 learned today that they have 1.2 billion people in  
17 their country; 620 million of them were without  
18 power for days. Now, how can you run a company  
19 like that, in a situation like that?

20 We are blessed to have a private sector that  
21 supports what we do. AdvanceSC, they've given \$1.6  
22 million through AdvanceSC, \$17 million to State  
23 education. And that investment, they didn't have  
24 to make.

25 [3-minute alarm]

1           It was an agreement that they made with you  
2           all to support private foundations, and I want to  
3           say thank you for making that happen for the people  
4           of our State.

5           **CHAIRMAN HAMILTON:** Thank you, Dr. Rutherford.  
6           If you'd keep your seat for just a second --

7           **WITNESS:** Yes.

8           **CHAIRMAN HAMILTON:** -- we'll see if anyone has  
9           any questions.

10          **WITNESS:** Sure.

11          **CHAIRMAN HAMILTON:** Do we have any questions  
12          of Dr. Rutherford?

13          **MS. C. EDWARDS:** No, Mr. Chairman.

14          **CHAIRMAN HAMILTON:** Thank you, very --

15          **COMMISSIONER WHITFIELD:** I've got one.

16          **CHAIRMAN HAMILTON:** Excuse me. Commissioner  
17          Whitfield.

18          **WITNESS:** Yes, sir.

19          **COMMISSIONER WHITFIELD:** Thank you, Mr.  
20          Chairman.

21                           **EXAMINATION**

22   **BY COMMISSIONER WHITFIELD:**

23   **Q**    I didn't want to pass this opportunity, Dr. Rutherford,  
24           since you kind of held yourself out as an expert in  
25           economic development, and we've heard from different

1 regions of the Duke service territory and how their  
2 economy might or might not be rebounding. Can you share  
3 -- you did cite one industry in your testimony that had  
4 brought some jobs here to the area. Can you share, as a  
5 whole, York County, Rock Hill, the immediate surrounding  
6 areas here, how the economy might be faring presently?

7 **A** Well, I've been in this business, like I said, for 28  
8 years. I've seen good times and bad. There are always  
9 going to be good times, there are always going to be bad  
10 times. There's more recessions coming, there's more  
11 recoveries coming. Here's the good news: I came here  
12 in February 2007.

13 This last 8 to 12 months, to 18 months, I've seen  
14 more solid prospects than any other time since February  
15 2007. That's the good news. And they're serious  
16 lookers. And the thing that's cool about it is, is that  
17 -- is that Duke gets it. They know -- and it's  
18 enlightened self-interest. I mean, of course, it is.  
19 But the thing about it is, it's good for everybody.  
20 They help make those companies -- what they need is they  
21 need quality, dependable power, and they know that they  
22 can get it here. That means that South Carolina can  
23 compete with the whole world. So we're attracting  
24 people from all over. I'm meeting with companies from  
25 the UK, I'm meeting with companies from Korea, I'm

1 meeting with companies from -- let's see, who was it we  
2 just had -- from Italy. They want to invest here. They  
3 want to put their money here. Why? Because they've got  
4 a dependable workforce, they've got a low cost for  
5 operation -- which includes power -- and they can depend  
6 on the power. Big deal.

7 **CHAIRMAN HAMILTON:** Thank you, very much.

8 **COMMISSIONER WHITFIELD:** Thank you.

9 **CHAIRMAN HAMILTON:** Any additional questions?

10 [No response]

11 If not, you may be excused. Appreciate you  
12 being with us, Dr. Rutherford.

13 **WITNESS:** I thank the Commission.

14 [WHEREUPON, the witness was excused.]

15 **CHAIRMAN HAMILTON:** At this time, I'd like to  
16 introduce the staff attorney assisting the  
17 Commission this evening, to give you the additional  
18 ground rules, and this is Commissioner Randall  
19 Dong.

20 **MR. DONG:** I've got to correct, Mr. Chairman.  
21 I'm not a Commissioner.

22 **CHAIRMAN HAMILTON:** I know, I'm sorry. You  
23 don't what to go --

24 **COMMISSIONER WHITFIELD:** He got promoted.

25 **CHAIRMAN HAMILTON:** -- through the process,

1           then?

2           **MR. DONG:** No, sir, I don't want to stand for  
3           election.

4                       [Laughter]

5           We have a number of you signed up to testify  
6           this evening, and I'd like, first of all -- if you  
7           haven't already done so, please turn your  
8           cellphones off or silence them. And also -- right  
9           now, I think I have eight or nine witnesses who  
10          have signed up to testify tonight -- if you haven't  
11          signed the sheet, and you would like to come to the  
12          podium and give testimony, if you would please go  
13          to the back and find a staff member and sign up.  
14          We need to have that done manually, because it  
15          needs to be part of the record, because as has been  
16          explained to you before, your testimony and the  
17          fact that you're giving testimony here, all of this  
18          is part of the record, and we keep the signup  
19          sheets in the record, as well. So if there's  
20          anybody who hasn't signed up who would like to  
21          testify, if you would, that would be great.

22          Thirdly, you should have received, when you  
23          came in the door or when you arrived, you should  
24          have received a description of a proposed  
25          settlement agreement that has been put forward by

1 all the parties in this case. I just offer that to  
2 you, because, if you haven't received that sheet,  
3 it might be valuable information for you.

4 We have a witness who planned to come and  
5 speak this evening, who was ill and unable to  
6 attend. And he is attending by telephone. His  
7 name is Mr. Charles Harbin, and I'm going to call  
8 him first, so that we can get that done. But  
9 before we do all that, let me -- for the record,  
10 let me take appearances. If I could take  
11 appearances, first from Duke?

12 **MS. SHAFEEK-HORTON:** Good evening. My name is  
13 Timika Shafeek-Horton, attorney for Duke Energy.  
14 With me at counsel table --

15 **MS. SMITH:** Heather Shirley Smith, also an  
16 attorney for Duke.

17 **MR. DONG:** Thank you.

18 And for the Office of Regulatory Staff?

19 **MS. C. EDWARDS:** Courtney Edwards, and I,  
20 along with Dukes Scott, represent ORS.

21 **MR. DONG:** Thank you.

22 **MS. C. EDWARDS:** And also, before you  
23 continue, if we could have the sign-in sheets  
24 become part of the record and be marked for  
25 identification and entered into the record, that

1 would be great.

2 **CHAIRMAN HAMILTON:** That will be done.

3 *[See pg 1182]*

4 **MS. C. EDWARDS:** Thank you, Mr. Chairman.

5 **MR. DONG:** Thank you.

6 **MR. SCOTT:** Mr. Chairman, I've got one --

7 **CHAIRMAN HAMILTON:** Yes, sir.

8 **MR. SCOTT:** -- preliminary matter for tonight.

9 **CHAIRMAN HAMILTON:** Yes, sir.

10 **MR. SCOTT:** The customers here have taken  
11 their time to be here tonight, to come and talk  
12 about the great impact that this case has on them,  
13 as we described. Duke Energy also has some  
14 witnesses here tonight. I would move that -- and  
15 I've consulted with counsel for Duke, but I would  
16 ask that the public witnesses who are here on their  
17 own, taking their time away from their families, be  
18 allowed to testify first, and that Duke hold their  
19 witnesses to the end of the meeting.

20 **CHAIRMAN HAMILTON:** I think that's an  
21 excellent idea, and that process will be followed.  
22 If you happen to be a Duke witness and you're  
23 called earlier, please advise us.

24 **MR. DONG:** Okay. All right. With that having  
25 been said, I'm going to first call Mr. Harbin.

[Witness affirmed]

THEREUPON came,

**C H A R L E S   H A R B I N ,**

who, having been first duly affirmed and appearing via telephone, testified as follows:

**MR. RICHARDSON:** Please give your name and address.

**WITNESS:** Sure. Charles Harbin. H-a-r-b-i-n. York, South Carolina.

**CHAIRMAN HAMILTON:** Please give your testimony, Mr. Harbin.

**WITNESS:** Okay. First of all, I want to thank for -- the Commission -- for allowing me to present my concerns about Duke Energy's request for a power rate increase by phone. I realize this is an unorthodox method of presenting my input to the Commission, and I plan to make this as straightforward and as short as possible.

I have a number of concerns relating to this increase. By the way, Duke Energy asked for the same percent increase this year as last year. All the information I'm presenting can be found online or in *The Herald* or in the *Charlotte Observer*.

Online, type into the address --

**MS. BOYD:** Mr. Harbin?

1                   **WITNESS:** -- bar --

2                   **MS. BOYD:** Mr. Harbin.

3                   **WITNESS:** Yes, ma'am.

4                   **MS. BOYD:** Would you mind to just slow down  
5 just a little bit? The court reporter is having a  
6 hard time keeping up. If you don't mind?

7                   **WITNESS:** Sure. I'm just trying to lay a  
8 short [word indiscernible]. In June [words indiscernible] all of us  
9 gonna be gone. As I told you earlier, I'm one of  
10 the people that I don't know what it is, and I'm  
11 scared to go to the doctor because I was afraid I'd  
12 get caught in a line or wind up taking [word(s)  
13 indiscernible] and not be able to talk straight.

14                  **MS. BOYD:** If you can just start again, Mr.  
15 Harbin, and just go a little slower, please.

16                  **WITNESS:** Sure. As I said earlier, I want to  
17 thank the Commission for allowing me to present my  
18 feelings and concerns about the request by Duke  
19 Energy for a power rate increase. I realize this  
20 is an unorthodox method of presenting my input to  
21 the Commission, and I'm planning to make this  
22 straightforward and as short as I can possibly be.

23                  I have a number of concerns relating to this  
24 increase request. Duke Energy asked for the same  
25 percent increase last year that they asked for this

1 year. Any information I am presenting can be found  
2 online or in *The Herald* Newspaper, or *Charlotte*  
3 *Observer*. Just go online and in the address bar,  
4 type in "problems with Duke Energy," or "Duke rate  
5 increase request."

6 There are a number of areas that I want  
7 to discuss regarding Duke Energy. First, is  
8 service: Namely, timely service. Since Duke Power  
9 has become such a giant that it is now, service  
10 repairs have become slower and are increasing.  
11 Some examples are the recent Rock Hill power  
12 outage. The outage was felt even in my area, in  
13 York. If anyone is present who's a resident from  
14 Rock Hill, they are aware of the length of time  
15 it's taken to repair and restore power services.

16 Last winter, a substation --

17 [3-minute alarm]

18 -- transformer went out, and this is in York,  
19 and I understand from the York city administrator  
20 it was several hours before even a Duke Energy  
21 engineer came and looked at the problem. We were,  
22 of course, without power from sundown into the  
23 early morning hours, before power was rerouted from  
24 other areas to compensate. Under the old Duke  
25 Power Company, these extended periods without power

1           were shorter and Duke personnel were immediately on  
2           the site making repairs. The point I'm trying to  
3           make is that as Duke has continually grown in size,  
4           good service to existing customers has continually  
5           fallen.

6           Second is that I am beginning to question Duke  
7           Energy's public statements, such as truly upgrade  
8           needs and promises, costs associated with power  
9           service needs to meet customer demands, and [word(s)  
10          indiscernible] the corporate bottom-line profits --  
11          which, by the way, improves executives' bottom-  
12          lines, too, such as paying bonuses, perks due from  
13          general increased responsibility. Duke Energy owns  
14          outright so many other businesses or is partners  
15          with other companies, attention cannot be focused  
16          to existing customers.

17          In line with deals, the past CEO and  
18          president, Mr. James E. Rogers, made statements and  
19          presented data to the Indiana Public Service  
20          Commission about the costs of two proposed plant  
21          constructions -- particularly, the Edwardsport  
22          Plant in Knox County, Indiana. The cost would be  
23          \$1.6 billion or less. But Duke come back later and  
24          said the cost would be \$3.6 billion. This cost, of  
25          course, would, presumably, be passed on to Indiana

1 customers. This was in the Indiana -- this was in  
2 2012. Duke promised the cost would be less than  
3 \$1.6 billion. In order to ensure the plant  
4 construction was to become a reality, personnel --  
5 personal meetings were made in which Mr. James  
6 Turner, a Duke Energy VP, invited the Indiana PSC  
7 chairman to visit him on-board his boat with the  
8 chairman's family, for an outing and dinner. I've  
9 got no problems with that. Business is always  
10 being conducted away from the office, on a golf  
11 course, in a restaurant, which I don't have a  
12 problem with. But Mr. Turner hinted to the PSC  
13 chairman that, if the Edwardsport Plant is  
14 approved, that Duke would find a place for him in  
15 Duke's organization.

16 Mr. Turner later told Mr. Rogers -- and I'm  
17 quoting from the *Indianapolis Star* Newspaper -- Mr.  
18 Turner intended to give plenty of attention to the  
19 Edwardsport Plant, to shift cost away from that  
20 utility. I looked for and could not find any  
21 retraction by the newspaper, or comments from Duke  
22 Energy regarding this published article. This I  
23 find very significant and telling about Duke  
24 Energy's corporate practices, and what unknown  
25 costs have been shifted to York County customers.

1 This type of cost-shifting, of course, would be  
2 hard to find without actually perusing the  
3 accounting books --

4 MS. SHAFEEK-HORTON: Mr. Chairman --

5 WITNESS: -- or the raw ledgers. I want to  
6 say it a little better.

7 CHAIRMAN HAMILTON: Just --

8 MS. SHAFEEK-HORTON: I object --

9 CHAIRMAN HAMILTON: -- a second, Mr. Harbin.

10 MS. SHAFEEK-HORTON: Mr. Chairman, I apologize  
11 and recognize that we want to hear what customers  
12 have to say, but this line of questioning is, I  
13 believe, outside the scope. There's no evidence of  
14 cost-shifting as it relates to Edwardsport.

15 WITNESS: I didn't understand your last  
16 statement.

17 CHAIRMAN HAMILTON: Mr. Harbin --

18 WITNESS: Yes, sir.

19 CHAIRMAN HAMILTON: -- we need to move forward  
20 with your testimony, sir. We do -- we have a  
21 number of people that would like to speak, and we  
22 have a limited number of time -- amount of time,  
23 and --

24 WITNESS: I should've asked at the beginning.

25 CHAIRMAN HAMILTON: -- we have an objection to

1 the line of your testimony, at this time, as not  
2 relevant to what we're here tonight talking about,  
3 by the Duke representatives. So, if you could move  
4 forward with your testimony, sir, we would  
5 appreciate it.

6 **WITNESS:** Okay, so you wish for me to postpone  
7 my statement, and maybe send it in in a written  
8 format?

9 **CHAIRMAN HAMILTON:** Sir?

10 **VICE CHAIRMAN HALL:** Can he send it in, in a  
11 written format.

12 **CHAIRMAN HAMILTON:** Yes, sir, you can send  
13 that to us or to the Office of Regulatory Staff.

14 **WITNESS:** All right. I'll do that. I'm sorry  
15 I didn't ask at the beginning what timeframe we  
16 had.

17 **CHAIRMAN HAMILTON:** We have a three-minute  
18 limit, sir.

19 **WITNESS:** I'm truly sorry. I didn't  
20 understand that to be.

21 **CHAIRMAN HAMILTON:** That's fine. We didn't  
22 advise you, sir.

23 **MR. DONG:** That's my fault, Mr. Harbin.  
24 That's my fault.

25 **WITNESS:** Well, I should've asked, too.

1                   **CHAIRMAN HAMILTON:** That's fine. But we  
2                   appreciate the efforts that you've gone to, to say  
3                   your piece for us tonight, sir.

4                   **WITNESS:** Okay. I think this is important and  
5                   that's why that -- I will forward the written  
6                   statement to the agency.

7                   **CHAIRMAN HAMILTON:** I think that would be very  
8                   fitting. Thank you, sir, too, for appearing.

9                   **WITNESS:** Thank you.

10                   [WHEREUPON, the witness was excused.]

11                   Okay. Mr. Harbin's statement will be Exhibit  
12                   No. 25 and his letter will be -- and No. 24 is the  
13                   sign-up sheets.

14                   All right. You ready to call the next  
15                   witness, sir?

16                   **MR. DONG:** Sure. And as I neglected to say,  
17                   prior to the first witness, we do have a clock down  
18                   here. We're asking each witness to try to confine  
19                   their testimony to three minutes so that we can  
20                   hear from everybody. And with that said, I'm going  
21                   to call -- I believe the next witness is E.  
22                   Franklin?

23                   And just so we can move things along, the next  
24                   two following Mr. Franklin will be Richard Collins  
25                   and Mary Dickson.

1                   **CHAIRMAN HAMILTON:** Mr. Franklin, if you'll  
2                   just come forward and have a seat, and be sworn in,  
3                   sir. Right here [indicating], sir. Right there  
4                   [indicating], sir.

5                               [Witness sworn]

6   THEREUPON came,

7                               **E D W A R D   F R A N K L I N ,**  
8   who, having been first duly sworn, testified as follows:

9                   **MR. RICHARDSON:** Please state your name and  
10                  address for the record.

11                  **WITNESS:** My name is Edward Franklin.

12                  **MR. RICHARDSON:** Address?

13                  **WITNESS:** Address? Harmony Road, Catawba.

14                  **CHAIRMAN HAMILTON:** Would you give your  
15                  testimony, please, sir? Would you speak -- tell us  
16                  what you've got to tell us?

17                  **WITNESS:** I think, after studying the stock  
18                  market, looking at the value of the stock of Duke  
19                  Energy, I think Duke Energy should do a deeper  
20                  study about an increase in rates. Because of the  
21                  unemployment situation, the people that are  
22                  unemployed with no education, no training, they can  
23                  only get jobs at the minimum salary. And the rest  
24                  of us on Social Security, well, Congress is  
25                  threatening to cut in on the funds, the Social

1 Security funds, and if they do, where is the money  
2 coming from to pay for an increase when we are  
3 struggling already to pay the rates we've got now?

4 I've been working with -- off and on to be  
5 able to work with Duke Energy. They offered me a  
6 constant monthly payment at a certain rate, because  
7 they said they did a study. I agreed to it, to try  
8 it. I couldn't see any difference. If Social  
9 Security is cut, and all our other bills -- you've  
10 got to consider our real estate tax, our property  
11 taxes, the price of gasoline, the prices of food.  
12 Everything is at its limits. And I think if they  
13 did a deeper study, they would find this is not the  
14 right time to request an increase in rates.

15 [3-minute alarm]

16 And even if they got it, they wouldn't fatten  
17 -- uhh -- their monthly rates, how long? So, I do  
18 hope they will cancel this request and give us  
19 time. Maybe we don't -- we don't have the need of  
20 big manufacturing situations here where people can  
21 make a decent earning, so where's the money coming  
22 from? The welfare? We don't -- we can't do it  
23 with the welfare. Can't pay your rates. We're  
24 burdened now with all the electronic equipment.  
25 Everything is electric -- and you know it. So, are

1           you saying that we consumers gotta abide by it, or  
2           give up and die? We gotta live. And I think you  
3           should think about letting us live at a decent  
4           rate. When I say "decent rate," something lower  
5           than what we've got now.

6                   **CHAIRMAN HAMILTON:** Thank you for your  
7           thoughts, Mr. Franklin. We appreciate you being  
8           here, very much, sir.

9                   Do we have any questions of Mr. Franklin?

10                   [No response]

11                   Thank you, sir, very much. You may be  
12           excused.

13                   **WITNESS:** I want to thank you for listening to  
14           me.

15                   **CHAIRMAN HAMILTON:** Yes, sir.

16                   [WHEREUPON, the witness was excused.]

17                   **MR. DONG:** Mr. Collins, and Ms. Dickson? And  
18           I'll go ahead and call for Kevin Rogers?

19                   [Witness sworn]

20   THEREUPON came,

21                   **R I C H A R D   E .   C O L L I N S ,**  
22   who, having been first duly sworn, testified as follows:

23                   **MR. RICHARDSON:** Please state your name and  
24           address for the record.

25                   **WITNESS:** Good evening ladies and gentlemen.

1 My name's Richard Collins. I live at 118 Watford  
2 Street, Fort Mill, South Carolina. I was born and  
3 raised there in Fort Mill all my life, except for  
4 the time I spent with the federal government in  
5 various parts of the world.

6 I'm here today to voice my dissent and concern  
7 about this 10 percent raise and hike. My fears and  
8 my thoughts are, if this Commission sees fit to  
9 give them their 10 percent rate hike, I would  
10 expect this Commission to ask something back in  
11 return. And what I ask this Commission to ask them  
12 for would be no executive bonuses, no executive pay  
13 raises, no stock dividends, no stock options that  
14 reduce price for executives, no further rate hikes  
15 for the next ten years with -- and an actual 10  
16 percent rate reduction, instead of a rate hike.

17 Also, I would like for them to trim the trees  
18 from the main line to the meter box. My  
19 responsibility for the electrical part -- I was  
20 told by Duke Power they only trim the main lines.  
21 It's supposedly my responsibility to trim from the  
22 meter box to the main line. Well, it's their line  
23 on the other side of the meter, so...

24 Have Duke Power set aside funds in case of an  
25 accident, a nuclear accident -- and for those of

1           you who don't think it can happen, remember  
2           Chernobyl, remember Fukushima in Japan. It is  
3           possible. I can see cooling towers from the  
4           parking lot of Wal-Mart in Tega Cay. If that thing  
5           cooks off, we're going to have to leave here,  
6           because this place will probably be radioactive for  
7           a long period of time.

8           You'll have to excuse my rough, gruff nature,  
9           but that's just me, you know.

10          **CHAIRMAN HAMILTON:** That's good.

11          **WITNESS:** I used to be in business, but I had  
12          -- I've had several businesses in Fort Mill, and  
13          instead of the government being my friend and ally,  
14          they were more my enemy. And so, between power  
15          bills, water bills, taxes, matching Social  
16          Security, and all this, you know, it's all  
17          corporate now -- major corporations. The little  
18          guy is not there anymore.

19          But when you sequester to come up with a  
20          decision, remember who you work for. You work for  
21          the people of South Carolina. The people of this  
22          area. Not the giant, monolithic corporations --

23                       [3-minute alarm]

24          -- that have coal-fired plants and other  
25          utility plants scattered all over the Southeast.

1 Remember us, the little guy, who has to struggle  
2 day by day, minute -- you know, week by week, just  
3 to pay our bills on time. And -- remember us.  
4 Think of us.

5 **CHAIRMAN HAMILTON:** Thank you for your  
6 testimony, Mr. Collins.

7 [Applause from audience]

8 Do we have any questions of Mr. Collins?

9 Excuse me, if you would keep your seat?

10 **WITNESS:** All right.

11 **CHAIRMAN HAMILTON:** Do we have any questions?

12 [No response]

13 **WITNESS:** Any rebuttal from Duke?

14 **CHAIRMAN HAMILTON:** No, you can be excused.

15 Thank you, Mr. Collins.

16 [WHEREUPON, the witness was excused.]

17 **MR. COLLINS:** Excuse me. I got to go.

18 **CHAIRMAN HAMILTON:** Okay. You're --

19 **MR. COLLINS:** I drank a lot of water.

20 **CHAIRMAN HAMILTON:** Well, you're excused.

21 **MR. DONG:** I see Ms. Dickson is making her way  
22 to the front. I've called Mr. Kevin Rogers as the  
23 next witness following Ms. Dickson. And Kellen  
24 Arnold will be the next witness thereafter.

25 [Witness sworn]

1 THEREUPON came,

2 M A R Y H . D I C K S O N ,

3 who, having been first duly sworn, testified as follows:

4 MR. RICHARDSON: State your name and address  
5 for the record.

6 WITNESS: My name is Mary Dickson. I live at  
7 106 Jason Court, in Fort Mill, South Carolina.

8 I'd just like to make a few statements. As  
9 being a senior citizen, I'd like to state that I  
10 worked 38 years as a school secretary and 12 years  
11 as a tax-preparer. So, in total, I have worked 50  
12 years. Since Social Security has been restricted  
13 to raises during the past few years, our increase  
14 for last year was 1.7 percent. My Medicare premium  
15 rose from \$99.90 to \$104.90, an increase of \$5, or  
16 5 percent. I understand the true rate of inflation  
17 at this particular time is 9 percent.

18 I understand that we are not to ask questions,  
19 but my feelings are: How does Duke Power justify  
20 asking for 5.5 percent for the first year, 2.6  
21 percent the second year, and also in addition to  
22 the rate increase our bills will increase for the  
23 annual fuel charges that will also come.

24 I believe I remember when Duke Power merged  
25 with another power company -- I think it was

1 Progressive<sub>[sic]</sub>; I'm not real positive, but I think  
2 it was -- the people at Duke Power said that the  
3 merger would benefit customers, that it would bring  
4 the rates down. But we see what is happening at  
5 this particular time.

6 It does appear that all the new houses that  
7 are being built in this area would certainly help  
8 Duke's customer base, as well as schools and  
9 businesses that are being opened. The paper stated  
10 that most of the increase will go for bonuses and  
11 other items that do not benefit the customer. Duke  
12 has claimed the need to replace aging infracture<sub>[sic]</sub>  
13 and recover costs from existing power plants, as  
14 the primary reasons driving the proposed hike.

15 As I said, I worked for 38 years as a school  
16 secretary. I never did make a lot of money.

17 [3-minute alarm]

18 The custodians actually made more money than I  
19 did. Our South Carolina retirement increase for  
20 this year is 1 percent. The inflation rate I  
21 understand is 9 percent. So it has become very,  
22 very difficult for senior citizens to keep up with  
23 the cost of living. Thank you.

24 **CHAIRMAN HAMILTON:** Thank you, Ms. Dickson.  
25 If you would --

1 [Applause from audience]

2 -- wait for just a second, we'll see if anyone  
3 has a question.

4 Do we have any questions of Ms. Dickson?

5 [No response]

6 If not, you may be excused, Ms. Dickson.  
7 Thank you for testifying.

8 [WHEREUPON, the witness was excused.]

9 **MR. DONG:** Mr. Rogers?

10 [Witness sworn]

11 THEREUPON came,

12 **K E V I N R O G E R S ,**

13 who, having been first duly sworn, testified as follows:

14 **MR. RICHARDSON:** State your name and address  
15 for the record.

16 **WITNESS:** My name is Kevin Rogers, 1006 Deer  
17 Track Drive, in Rock Hill. Thank you, gentlemen  
18 and ladies, for your time here.

19 You've heard several clips from several  
20 different people. In our local paper, *The Herald*,  
21 it was stated yesterday that an audit was done by  
22 an organization -- PSU. Again --

23 **CHAIRMAN HAMILTON:** Could you speak into the  
24 mic?

25 **WITNESS:** I'm sorry [indicating].

1                   **CHAIRMAN HAMILTON:** Thank you, sir.

2                   **WITNESS:** Okay.

3                   **CHAIRMAN HAMILTON:** Good.

4                   **WITNESS:** From yesterday's *Herald*, there was  
5 an audit that was done by an organization or a  
6 company that I'm not familiar with -- called PSU?  
7 -- stating that proposed hikes in pay would go for  
8 employee bonuses and other items that would not  
9 benefit customers.

10                   This does not sit well with people who were  
11 paying attention. There's a lot of people that are  
12 working for \$7 or \$8 an hour, and it's not cutting  
13 it, and the bills from the utility company, other  
14 bills, it's catching up and it's hurting them  
15 financially.

16                   From my own limited time that I had to do some  
17 research, I saw that back in 2007 the average  
18 median employee was making between \$60-\$90,000-some  
19 a year. I don't know if that's a true fact or not,  
20 but when you read things like this, it doesn't go  
21 down well. I do see some of the adjustments that  
22 Duke Power has made, and it's an 8.6 percent, you  
23 know, and then this additional \$7.62 of the fuel  
24 charge.

25                   That's really all I have to say. I'm not

1 going to take up more time. I just wanted to take  
2 the time, myself, to come down and just voice my  
3 concern. I hope you take that all into  
4 consideration --

5 **CHAIRMAN HAMILTON:** We appreciate your --

6 **WITNESS:** -- in the order.

7 **CHAIRMAN HAMILTON:** -- coming, sir. We  
8 certainly do, Mr. Rogers.

9 Do we have any questions of Mr. Rogers, at  
10 this time?

11 **COMMISSIONER FLEMING:** [Indicating.]

12 **CHAIRMAN HAMILTON:** Commissioner Fleming?

13 **COMMISSIONER FLEMING:** Yes, thank you, Mr.  
14 Chairman.

15 **EXAMINATION**

16 **BY COMMISSIONER FLEMING:**

17 **Q** Good evening, Mr. Rogers.

18 **A** Yes, ma'am.

19 **Q** Appreciate your coming out, along --

20 **A** Certainly.

21 **Q** -- with the others. Most of you have been talking about  
22 the rate increase and what it will do to those on  
23 limited incomes. Could you talk a little bit about the  
24 service of Duke Energy? Are you --

25 **A** My experience with the service?

1 Q Yes.

2 A Normally there's been -- you did hear about the outages  
3 that have come down through Rock Hill, as of late.  
4 Prior to that, personally, service has usually been  
5 restored within -- you know, and I have to be honest --  
6 maybe within six hours of an outage. Usually. So  
7 that's just one person, the experience with that.

8 But again, there have been other -- I'm in York  
9 County, and I don't know how it works with the City of  
10 Rock Hill. But this last outage did last quite a bit of  
11 time. If you're running a business -- I know several  
12 supermarkets were down; they lost a lot of frozen foods,  
13 things of this nature. It does hurt.

14 Q Okay.

15 A So I hope that tries to answer your question.

16 Q All right. It sounds like, except for those particular  
17 instances, though, that the service -- your basic --

18 A Well, I would say, you --

19 Q -- is --

20 A -- know, it wasn't Duke that came out and fixed the  
21 problem. It was York Electric.

22 Q Okay.

23 A So it was not Duke. So it probably was one of the  
24 switches.

25 Q All right.

1     **A**     Okay?

2                     **COMMISSIONER FLEMING:** Thank you.

3                     **CHAIRMAN HAMILTON:** Thank you. Do we have any  
4 other questions?

5                     [No response]

6                     Thank you very much, Mr. Rogers. You may be  
7 excused, sir.

8                     **WITNESS:** Thanks.

9                     [WHEREUPON, the witness was excused.]

10                    **MR. DONG:** Kellen Arnold?

11                    [Witness sworn]

12 THEREUPON came,

13                    **K E L L E N   A R N O L D   ,**

14 who, having been first duly sworn, testified as follows:

15                    **MR. RICHARDSON:** Please state your name and  
16 address.

17                    **WITNESS:** My name is Kellen Arnold. Address  
18 is 2032 Grimley Lane, and that's in Indian Land.

19                    And I've only been in South Carolina now for a  
20 year and a half, but since I've been there, I've  
21 had -- literally almost every day we have power go  
22 off and then it comes back on. I don't know why,  
23 whether it's a new development, it's a new housing  
24 development. I'm not sure. It's not much of an  
25 issue, only if it happens to occur during the night

1 and then we've got to -- my wife and I -- have to  
2 rely on our cell phones for the alarm to wake us  
3 up.

4 But I'm really speaking out on my behalf for  
5 the elderly. I have elderly relatives and I know  
6 the complications, and the economy is not where we  
7 would like it to be, but I really do understand the  
8 got for them, and I realize that they do have bills  
9 that, with the cost -- when the power goes up and  
10 the cost of that, everything else must follow. To  
11 run any company, they've got electric. So, then  
12 their bills go up, their employees want more money,  
13 they want to have more perks, so then they do what  
14 they can to, you know, to make their products more.

15 So -- and I work in the stock market, so I  
16 know all about how the ins and outs work, so I'm  
17 pretty sure you guys, you know, you're going to do  
18 what you've got to do to make your living, to make  
19 your profit, because everyone wants to be a Warren  
20 Buffett. Everyone wants to prosper and have their  
21 business prosper and be more competitive in the  
22 market. But when it all boils down to it, we don't  
23 control anything.

24 Forgive me for this, but I'm kind of -- I'll  
25 be wrong if I don't say it. I'm a deacon in my

1 church, so I know God supplies all of my needs, so  
2 I'm not worried about my needs. I just know also  
3 the Word says we need to take care of our elders  
4 and our poor, and we really need to -- I pray God  
5 touches your hearts to have you do the things that  
6 we should do. We should take care of the people  
7 who are less fortunate, and not take advantage of  
8 our private gains and for our own self- -- I want  
9 to say "pride," but not pride, but just try to --  
10 we're trying to make ourselves more successful, and  
11 we're making a great divide. We've got the poor  
12 down here [indicating] and then we have the people  
13 who are, I want to say, wealthy, but who has it,  
14 over here. So there's really no middle class  
15 anymore. And I've been blessed enough to be, you  
16 know, a little bit on this side [indicating], but I  
17 know at the flip of a dime -- I mean, a flip of a  
18 coin, my career could be gone like that  
19 [indicating]. I've got a lot of bills, myself.  
20 I've got three kids. I just got diagnosed with a  
21 disease --

22 [3-minute alarm]

23 -- that I'll pretty much have to take medicine  
24 for the rest of my life. So I really sympathize  
25 with the elderly, because I know eventually one day

1 I will be retired, and I'll have to depend on  
2 someone to speak on my behalf. So I just hope you  
3 take into account of -- you know, I understand that  
4 everyone wants to -- I mean, I know, I understand  
5 to run Duke Power it costs money to operate, to do  
6 the systems and everything to do, but I just hope  
7 that we can come to a compromise that, you know,  
8 will better suit the elderly, as well as Duke  
9 Energy.

10 **CHAIRMAN HAMILTON:** Thank you for your  
11 testimony, Mr. Arnold. We have representatives  
12 here this evening from Duke. You might want to  
13 talk to them about the outages before you leave and  
14 you possibly could get some answers on that.

15 **WITNESS:** Yes, sir.

16 **CHAIRMAN HAMILTON:** Do we have any questions  
17 of Mr. Arnold?

18 **MS. SHAFEEK-HORTON:** No, Mr. Chairman, but I  
19 would note that Steve Parker from Power Delivery is  
20 in the audience, and so -- to the extent that he  
21 wanted to talk to someone about that issue.

22 **CHAIRMAN HAMILTON:** Very good.

23 **WITNESS:** All right. Thank you.

24 **CHAIRMAN HAMILTON:** Thank you, Mr. Arnold.  
25 You may be excused, sir.

1 [WHEREUPON, the witness was excused.]

2 MR. DONG: Deborah Wilson-Smith?

3 [Witness sworn]

4 THEREUPON came,

5 D E B O R A H W I L S O N - S M I T H ,

6 who, having been first duly sworn, testified as follows:

7 MR. RICHARDSON: Please state your name and  
8 address.

9 WITNESS: My name is Deborah Wilson-Smith. I  
10 live at 360-B Keiger Street, Rock Hill, South  
11 Carolina.

12 I just want to say, I was listening to  
13 everybody else talking about the income and  
14 everything. I'm basically in the same position. I  
15 have a disabled husband that -- you know, we have  
16 to have our electricity. We cannot afford a rate  
17 hike.

18 I also want to say something to Duke in  
19 mentioning that, if they have anything to do with  
20 those wind turbines that I think is supposed to be  
21 proposed to go off the coast of South Carolina, I  
22 am for that, because it's something that's new and  
23 would generate a good renewable source of energy,  
24 and I like ideas like that. But as far as building  
25 another nuclear power plant, no, because that is

1 harmful to everybody, and I don't think we need  
2 another one of those. We have a number of those  
3 already in South Carolina. If we did have a  
4 nuclear incident, we would be bombarded. Where  
5 would we go? We would not be able to escape. I  
6 mean, we're surrounded by them right here in North  
7 Carolina and South Carolina. I mean, you have dams  
8 that was being built -- that's how Lake Norman was  
9 formed, and Lake Wylie was formed, because they  
10 formed those lakes just to do a source-of-water  
11 energy source for the nuclear power plants around  
12 here in this area. But I do want to say, for the  
13 wind turbines, if they have anything to do with  
14 that, I am for that.

15 But the power source or rate hikes? No.  
16 There are a lot of us around here, we can't afford  
17 that. I mean, it's unfeasible. We can't do it.  
18 I'm just at a loss for words right now, because  
19 it's just one of those things that, when you look  
20 at stuff like that, a lot of the things that  
21 they're saying that they want to do for, to give  
22 back and stuff, me and my husband right now, we  
23 don't fit in any of those categories. They say  
24 they're going to provide for the seniors, but we're  
25 not old enough to be as within the age of seniors.

1 As far as the other things that they're looking at  
2 as far as income, everything that we've tried to  
3 apply for, they say, okay, we have too much income  
4 coming in, so we can't even get that part of the  
5 contribution that they're planning on giving back.  
6 So right now we're just stuck in the middle and we  
7 have to deal with it. We have to pay, what, the  
8 light bill, gas bill, car payment, buy food.  
9 Somewhere, something is not going to get paid. Now  
10 we've got to come up -- got to pay your -- what --  
11 buy your own insurance now? Come on. Something's  
12 got to give. Thank you.

13 **CHAIRMAN HAMILTON:** Thank you, Ms. Smith, very  
14 much, for your testimony.

15 Does anyone have a question for Ms. Smith at  
16 this time?

17 [No response]

18 If not, you may be excused, and thank you for  
19 testifying.

20 **WITNESS:** Thank you.

21 [Applause from audience]

22 [WHEREUPON, the witness was excused.]

23 **MR. DONG:** The next witness is Reverend  
24 Michael McClair<sub>[sic]</sub>?

25 [Witness sworn]

1 THEREUPON came,

2           **R E V .   M I C H A E L   A .   M c C L A I N ,**  
3 who, having been first duly sworn, testified as follows:

4           **MR. RICHARDSON:** Please state your name and  
5 address for the record.

6           **WITNESS:** Michael Allen McClain. I serve as  
7 the pastor at Liberty Hill Missionary Baptist  
8 Church, at Liberty Hill Road, Catawba, South  
9 Carolina.

10           Good evening. This evening, we are gathered  
11 here at York Tech because, on March 18, 2013, Duke  
12 Energy of the Carolinas, our local energy provider,  
13 filed a request with the Public Service Commission  
14 to increase our utility rates by nearly \$220  
15 million. And with the new proposed settlement, it  
16 has dropped to \$118.6 million, which I believe will  
17 still give Duke a huge increase.

18           A great part of this increase is to allow Duke  
19 a return on its common equity at a rate of 11.25  
20 percent. Duke's rate is already 10.2 percent. In  
21 order for Duke to increase its shareholders'  
22 profits, the company is willing to put additional  
23 hardships on all citizens of York County.

24           As a local pastor and a member of this  
25 community, I can attest that there are too many

1 households who are doing all they can do to keep  
2 their power bills as low as possible now. Today's  
3 monthly living expenses are already too high. This  
4 is not counting food, medical, and gas costs.  
5 Right now, as we sit in this nice facility, many  
6 families are choosing what bills can be paid or are  
7 not to be paid this month.

8 Last winter, in South Carolina's most recent  
9 electric utility rate, you cut the rate of equity  
10 for SCE&G from 10.7 to 10.25, so why should you  
11 grant Duke a rate increase of 11.25? That is one  
12 of the reasons I'm asking you to not only deny this  
13 increase but not to give any increase.

14 Secondly, Duke should be good stewards of the  
15 earth. Is not the earth the Lord's and the  
16 fullness, therefore, of the world and they that  
17 dwell therein? I would like to see Duke move  
18 toward more renewable sources of energy. Today,  
19 more than 40 percent of Duke's energy is being  
20 generated by burning fossil fuel -- coal and  
21 natural gas. The majority of Duke's recent  
22 investment -- the investments they are requesting  
23 to increase to reimburse -- have only gone to  
24 maintain the status quo. Does not it say, if you  
25 keep on doing the same ol' same ol', you keep

1 getting the same ol' results? They are replacing  
2 old fossil-fuel units with new fossil-fuel units.  
3 They should not be rewarded for doing this.

4 Instead of offering an increase, I ask that  
5 you should challenge Duke to aggressively ramp up  
6 its own successful programs: the Save-A-Watt  
7 Program. Duke knows that, with very little effort,  
8 this program has reduced energy use and it has met  
9 energy demand at a low cost, while at the same time  
10 reducing environmental impacts. Does not Man  
11 understand the Word of God: We are stewards and not  
12 owners"?

13 And I close: In Duke's own website, a  
14 spokesman of Duke Energy stated if Duke does not  
15 become more aggressive about energy efficiency,  
16 we'll have to build more coal plants. I beg and  
17 plead with you --

18 [3-minute alarm]

19 -- our Public Service Commissioners of South  
20 Carolina, to not only deny this increase but to  
21 give no increase. Do not force York County  
22 citizens into pinching pennies.

23 I thank each of you for affording this  
24 opportunity to address you this evening. May God  
25 grant you the wisdom, Commissioners, to do unto

1 others as they would have them do unto you, and to  
2 remember, "Inasmuch as you do unto these, you've  
3 also done unto me." Thank you.

4 **CHAIRMAN HAMILTON:** Thank you, Reverend  
5 McClain.

6 [Applause from audience]

7 Do we have any questions for Reverend McClain?

8 [No response]

9 If not, we thank you for appearing and  
10 appreciate your testimony, sir.

11 [WHEREUPON, the witness was excused.]

12 **MR. DONG:** Angelo School? Sciulli. Sciulli.  
13 Thank you.

14 [Witness sworn]

15 THEREUPON came,

16 **A N G E L O M . S C I U L L I ,**  
17 who, having been first duly sworn, testified as follows:

18 **MR. RICHARDSON:** Please state your name and  
19 address for the record.

20 **WITNESS:** My name is Angelo Michael Sciulli.  
21 I reside at 5029 Millers Ridge Lane, in Lancaster,  
22 South Carolina 29720.

23 I'm going to be pretty short, because I've got  
24 to hit on points that other people have already  
25 touched, but I don't want to keep repeating.

1 I do have problems with -- issues with Duke  
2 being a for-profit public service committee and  
3 also a monopoly within the State. Duke Power has  
4 proven that they're an unethical company at times,  
5 in corporate responsibility. Regarding clean  
6 energy, Duke Power is cited repeatedly for  
7 violations of the Clean Air Act. They've been  
8 fined repeated money.

9 On to this current rate hike, the current rate  
10 for the State of South Carolina is 8.75 cents per  
11 kilowatt-hour. This proposed rate hike will raise  
12 it to 9.45. That puts it in the top 10 percent of  
13 the nation as a rate per kilowatt-hour. This  
14 equates to \$10.31. With the additional \$7.62 of  
15 the monthly surcharge, equates to an \$18 increase  
16 per month per power bill. Does Duke really need  
17 this excess money, based on the fact that their --  
18 on the last rate hike, their profits increased 38½  
19 percent from \$1.3 billion to \$1.8 billion. Yet,  
20 they request more money.

21 You know, this rate case will not only affect  
22 the cost of the monthly fees; it'll come to people  
23 also because of grocery bills' increase, fuel, and  
24 pretty much everything, which puts even a greater  
25 financial burden on the people. However, I don't

1 think Duke deserves this rate hike since they pay  
2 their executives million-dollar salaries and give  
3 them million-dollar bonuses. Not only do they do  
4 that, but they have the right to charge us to build  
5 the power plants, pay for the fuel to fuel the  
6 power plants, then we pay for the electricity  
7 generated, pay for the delivery of said  
8 electricity, and also pay for the maintenance of  
9 it. My question is, what does Duke Power pay for?

10 **VOICE:** Mm-mm.

11 **VOICE:** Man.

12 **WITNESS:** Yeah. We're held accountable for  
13 everything Duke Power does, and when they do it.  
14 In North Carolina, the wind turbine plan, they  
15 failed on the experiment; they canceled it. They  
16 were allowed by -- they requested an additional  
17 rate hike to pay for -- to recoup the \$8 million  
18 they did on this. Why?

19 I just feel that Duke Power's motivation is  
20 greed and how much money they can get by hook or by  
21 crook, based on the previous history.

22 **CHAIRMAN HAMILTON:** Thank you very much for  
23 your testimony.

24 Do we have any questions of Mr. Sciulli?

25 [No response]

1 We appreciate you being here, sir, and  
2 appreciate you testimony. You may be excused, sir.

3 **WITNESS:** Thank you.

4 [Applause from audience]

5 [WHEREUPON, the witness was excused.]

6 **MR. DONG:** Rob Youngblood? And Dean Faile?

7 And before we start, are there any other  
8 members of the public who signed up, who have not  
9 been called?

10 Bill, hold on. I've got one more, I think.  
11 It appears. Warren Currence?

12 **CHAIRMAN HAMILTON:** Are you --

13 **MR. FAILE:** No, I'm Dean Faile. I'm just  
14 getting on deck.

15 **MR. DONG:** Warren Currence? He is signed up.

16 **CHAIRMAN HAMILTON:** Okay.

17 **MR. DONG:** And I believe Mr. Currence is the  
18 last customer who has signed up to speak, and then  
19 we'll go to Mr. Youngblood and Mr. Faile.

20 [Witness sworn]

21 THEREUPON came,

22 **W A R R E N S . C U R R E N C E ,**  
23 who, having been first duly sworn, testified as follows:

24 **MR. RICHARDSON:** State your name and address  
25 for the record.

1                   **WITNESS:** My name is Warren Stanley Currence.  
2                   I live at 1122 Rainbow Circle, in Catawba, South  
3                   Carolina.

4                   On this day, I have testimony -- I am a  
5                   disabled person, and my income has dropped way over  
6                   half of what I used to make, but my Duke Power bill  
7                   has risen. It's a person that ain't working, they  
8                   can't afford to pay the highest price that y'all  
9                   want to increase your all's Duke Power bill up to.  
10                  I can't see myself to afford it, really. I'm gonna  
11                  have to have help. And Duke Power the only way I  
12                  can see they'll help me, they need to drop my  
13                  rates. And that's what I need, on survival,  
14                  because everything else have raised -- risen up,  
15                  but I can deal with a little bit of food, but I  
16                  can't deal without the heat and the air.

17                  So I'm here today to testify that we do not  
18                  need to go up on any power, at all, because like  
19                  they said, the company is making plenty. I'm not a  
20                  CEO. I'm not an executive. I'm not making the  
21                  money y'all make. Y'all can afford it, but I  
22                  can't. I'd like to know what y'all have in mind to  
23                  overcome the situation, so the poor people -- like  
24                  us -- that don't have the income that they used to  
25                  have, because most jobs in South Carolina have cut

1 or either laid off, and they can't afford -- people  
2 around here can't afford to pay what you got coming  
3 to us. And what you got coming to us, it's just  
4 too high. That's all I have to say.

5 **CHAIRMAN HAMILTON:** Mr. Currence, we  
6 appreciate your testimony, sir. Appreciate you  
7 being here.

8 **WITNESS:** All right.

9 **CHAIRMAN HAMILTON:** You might possibly want to  
10 speak with a representative from ORS before you  
11 leave here this evening.

12 **WITNESS:** Okay.

13 **CHAIRMAN HAMILTON:** They might can talk to you  
14 about some of the questions that you've asked us  
15 that we can't answer.

16 **WITNESS:** Okay.

17 **CHAIRMAN HAMILTON:** But we do appreciate your  
18 testimony.

19 Do we have any questions?

20 **COMMISSIONER WHITFIELD:** Yes, sir, Mr.  
21 Chairman. Thank you, Mr. Chairman.

22 **EXAMINATION**

23 **BY COMMISSIONER WHITFIELD:**

24 **Q** Mr. Currence, would you mind -- would you like to share  
25 with us what your average power bill is, or what it's

1           been over the last year?

2   **A**   My average power bill last year ran around \$300. This  
3       year so far, they're down to \$280. And I live in a  
4       1475-foot-square home. It's not no big home.

5   **Q**   And it's averaging \$300?

6   **A**   It average about \$300, yes.

7   **Q**   What was it in previous years?

8   **A**   It -- one year -- not last year, but the year before  
9       last, I had a power bill almost \$500 during the summer  
10      months. In the winter months, I changed my heating,  
11      because I could no longer run a heat pump, because my  
12      heat was costing me just as much in the summertime as it  
13      was in the wintertime. So I changed my heat into gas,  
14      and my bill for my electrical came down in the winter  
15      months. But the summer months, with the way the global  
16      warmings and all that, well, your household just holding  
17      a lot more heat than it normally holding. It takes a  
18      lot more for the air conditioning to run.

19                   **COMMISSIONER WHITFIELD:** Thank you for sharing  
20                   that with us.

21                   That's all I have, Mr. Chairman, unless he'd  
22                   like to share -- put his bill in the record or  
23                   maybe he could perhaps speak with the company, or  
24                   ORS is here, and maybe could assist you further.

25                   **WITNESS:** Okay.

1                   **CHAIRMAN HAMILTON:** Thank you very much for  
2                   testifying, Mr. Currence.

3                   **MS. SHAFEEK-HORTON:** Mr. Chairman?

4                   **CHAIRMAN HAMILTON:** Yes, ma'am.

5                   **MS. SHAFEEK-HORTON:** If I could also just  
6                   offer that, from Customer Service, Ted Allen is  
7                   here. If he might raise his hand?

8                   **MR. ALLEN:** [Indicating.]

9                   **CHAIRMAN HAMILTON:** All right.

10                  **MS. SHAFEEK-HORTON:** And he might be able to  
11                  offer assistance.

12                  **CHAIRMAN HAMILTON:** Mr. Currence, the company  
13                  said that they have a person that would like to  
14                  talk to you, at the back of the room. You see his  
15                  hand is up? Thank you, sir.

16                               [WHEREUPON, the witness was excused.]

17                  **MR. DONG:** All right. Now, Mr. Youngblood, if  
18                  I could bring you back? Thank you for indulging  
19                  us.

20                               [Witness sworn]

21                  THEREUPON came,

22                               **R O B   Y O U N G B L O O D ,**

23                  who, having been first duly sworn, testified as follows:

24                               **WITNESS:** My name is Rob Youngblood. I'm with  
25                  the York County Regional Chamber at 116 East Main

1 Street, in Rock Hill.

2 I want to say: I received no pay from Duke  
3 Energy or any of their employees, but I have chosen  
4 to be here on my own time this evening to speak in  
5 their favor.

6 I am a paid employee of the Chamber of  
7 Commerce. I'm a taxpaying citizen. And I, too,  
8 have a family at home. Respectfully, for future  
9 consideration of such hearings, I would ask that  
10 neither supporters nor non-supporters be asked to  
11 wait till the others have spoken. My suggestion  
12 would be to follow the list of folks who have  
13 signed up to speak.

14 I do appreciate y'all providing this hearing  
15 to afford citizens like me and groups like the  
16 Chamber an opportunity to express opinions and  
17 thoughts. As president of the Chamber with over  
18 900 member businesses, and as a long-time resident  
19 of York County, I'm here to speak in support of  
20 Duke Energy's proposed electric rate hike in South  
21 Carolina.

22 I could spend much time talking about Duke  
23 Energy's excellent record of corporate citizenship  
24 here in York County and the State, but I'd rather  
25 focus on one thing that's important to each of us

1           -- young and old -- which is jobs and economic  
2           development.

3           I respectfully request that your thoughtful  
4           consideration be given to these points:

5           In York County and other communities Duke  
6           Energy serves, critically important to their  
7           mission is economic development, which, of course,  
8           is job creation. Unemployment rates are still  
9           relatively high in our county and state, and jobs  
10          are desperately needed.

11          The Duke Energy Economic Development Team is a  
12          great partner with Chambers of Commerce, with our  
13          local governments, with State leaders, with  
14          industries, when it comes to attracting new  
15          businesses, creating jobs, and helping existing  
16          local businesses expand. New and existing  
17          businesses also expand the tax base, which funds  
18          the operation of public schools and other necessary  
19          government services. The broader tax base also  
20          influences our communities' quality of life and  
21          that quality of life for each individual. It also  
22          helps keep our tax rates lower for residents. When  
23          the tax base is bigger, we, as residents, pay less  
24          in individual taxes. As a result of Duke Power's  
25          success in helping grow businesses with

1 increasingly clean, affordable, and reliable  
2 energy, local economic development officials are  
3 able to lure businesses that provide commerce for  
4 local businesses and other supplier businesses that  
5 are located here in York County.

6 Energy costs are among the top three expenses  
7 for businesses. So, naturally, they compare  
8 electric rates when choosing a location or deciding  
9 whether or not to expand.

10 If this unanimous settlement is approved, Duke  
11 Energy's rate -- it will go up. However, it still  
12 will be below the national average and among the  
13 lowest in the Southeast. This means we'll be very  
14 competitive for new businesses seeking to relocate  
15 here or expand here in York County and South  
16 Carolina.

17 Thank y'all very much for your time and the  
18 opportunity to --

19 [3-minute alarm]

20 -- speak.

21 **CHAIRMAN HAMILTON:** Thank you, sir, Mr.  
22 Youngblood, for your testimony.

23 Do we have any questions at this time for Mr.  
24 Youngblood?

25 [No response]

1 I would like to apologize if our procedure has  
2 inconvenienced you in any way.

3 **WITNESS:** Thank you, very much.

4 **CHAIRMAN HAMILTON:** Thank you, sir.

5 [WHEREUPON, the witness was excused.]

6 **MR. DONG:** And Mr. Faile.

7 [Witness sworn]

8 THEREUPON came,

9 **D E A N F A I L E ,**

10 who, having been first duly sworn, testified as follows:

11 **MR. RICHARDSON:** Please state your name and  
12 address, for the record.

13 **WITNESS:** Thank you. My name is Dean Faile.  
14 I live at 4086 Flint Drive, in Lancaster, South  
15 Carolina. And I appreciate the apology for those  
16 of us who also are supporters but have family  
17 members. And I have a family at home, too, and  
18 would like to have gotten home in time to put my  
19 three-year-old to bed, as I normally do. So, I  
20 appreciate that apology.

21 Thank you, first of all, for having this  
22 hearing and allowing us to speak. I'd like to make  
23 a few points on Duke Energy and them being a good  
24 corporate citizen.

25 They are highly involved and engaged in the

1 community. They are supporters of local events and  
2 activities that enhance the quality of life for  
3 local citizens. Duke employees serve on local  
4 boards and committees for nonprofit organizations,  
5 and these organizations often provide services that  
6 are necessary and needed that aren't provided by  
7 local governments.

8 Duke Energy understands how important it is to  
9 help the communities they serve be more successful,  
10 as preparing the workforce of the future, and has  
11 supported education initiatives that have assisted  
12 our public schools, like York Technical College, as  
13 you heard tonight, and other local universities in  
14 the region.

15 Duke Energy's an economic-development  
16 supporter, as you heard Mr. Youngblood just refer  
17 to. And I will reiterate those points that he just  
18 made.

19 But I would like to point out a couple of  
20 things along that business-and-community support  
21 and their success that has come with Duke Energy's  
22 support. They provide a low-cost and reliable  
23 source of energy. When a business looks to  
24 relocate or maintain existing operation, the cost  
25 and reliability factors are two of the most

1           important factors. Most businesses will endure a  
2           modest cost increase in energy, as long as they can  
3           expect reliability. The costs associated with  
4           shutdown and ramp-up far outweigh any short-term  
5           benefit of maintaining low cost to an unmaintained  
6           system.

7           I'd like to point out that several years ago  
8           in Lancaster County, a new company relocated from  
9           New York. This company is called PCI Group, and  
10          they located to Lancaster County, citing cost of  
11          electricity and power as a key item. When they  
12          relocated here, their energy cost is down much less  
13          than the previous location. The amazing part of  
14          this claim -- and I talked to Skip Pawul, with the  
15          PCI Group, and he said he'd be glad to confirm this  
16          -- his current operation's nearly doubled in size,  
17          it has nearly twice the equipment, and it has a  
18          heated and air-conditioned warehouse, which he did  
19          not have any of these in New York. Yet, his  
20          utility rates are still lower, and he's on Duke  
21          Energy.

22          While any cost-of-living increase is unwanted,  
23          we are certainly here fortunate to live within Duke  
24          Energy confines. Their competitive rates and  
25          reliable energy make this a very attractive place

1 to live, individually and for companies to  
2 relocate.

3 While we're talking, Commissioner Fleming  
4 asked an individual a question about what has their  
5 reliability been at home. And as a customer, I've  
6 lived in my home presently for five and a half  
7 years. We've had two outages in that time period,  
8 and neither were out for more than two hours each.  
9 If we do the math on that, that means that I have  
10 had to 91,976 hours of uninterrupted service --

11 [3-minute alarm]

12 -- for four hours of interrupted service.

13 Thank you.

14 **CHAIRMAN HAMILTON:** Thank you, Mr. Faile, for  
15 your testimony.

16 Do we have any questions of this witness?

17 [No response]

18 If not, we thank you for being here, sir. You  
19 may be excused.

20 [WHEREUPON, the witness was excused.]

21 All right. That brings us to the close of the  
22 people that have signed up to speak. We appreciate  
23 each of you being here with us this evening. We've  
24 been advised that ORS and the company will have  
25 staff people here. If you have any questions after

1 we close the meeting, they'll be happy to discuss  
2 it with you.

3 Mr. Scott?

4 **MR. SCOTT:** Mr. Chairman, we would like to  
5 thank the Commission for your time. You came and  
6 heard from the people. The extent you went to  
7 provide an opportunity for people to come here and  
8 testify before you is beyond anything I've ever  
9 seen. Mr. Harbin, that Ms. Boyd called me and told  
10 me about the problem; she came up with that idea to  
11 help that man. I have never seen a state agency so  
12 willing to accommodate the people. And, of course,  
13 the public here today were very respectful to the  
14 Commission, and rightfully so -- you deserve  
15 respect -- as you were to them.

16 But, Representative, I've never seen -- and  
17 I've been with State government a long time -- I've  
18 never seen an agency go so far to try to give the  
19 people an opportunity to talk before it.

20 And I just want to extend our appreciation to  
21 you.

22 **CHAIRMAN HAMILTON:** Thank you, very much.

23 [Applause from audience]

24 We appreciate that very much, Mr. Scott, but  
25 it's what we signed up for, sir.

1                   **MR. SCOTT:** Well, I've seen other people sign  
2 up for it and not go that far.

3                   [Laughter]

4                   **CHAIRMAN HAMILTON:** Thank you, sir. With  
5 that, we stand adjourned.

6                   [WHEREUPON, at 7:25 p.m., the hearing in  
7 the above-entitled matter was adjourned.]

8

9                   [WHEREUPON, Hearing Exhibit 24 was marked  
10 and received in evidence.]

11                  [WHEREUPON, Late-Filed Hearing Exhibit 25  
12 ~~shall be~~ was marked/received in evidence,  
13 upon receipt of same: 8/26/13]

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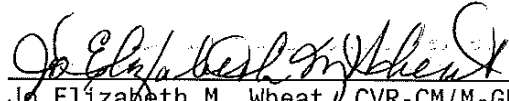
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C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in a hearing held in the above-captioned matter before the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 26<sup>th</sup> day of August, 2013.



Jo Elizabeth M. Wheat, CVR-CM/M-GNSC  
Hearings Reporter, PSC/SC

My Commission Expires: January 27, 2021.